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ON THE CONSUMER FRONT

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This is an excerpt from a radio program presented by the General Federation of Women's Clubs on December 15, 1939, at 1:45 P.M., Eastern Standard Time, over the Red Network of the National Broadcasting Company, Washington, D. C. In it, Mrs. Saidie Orr Dunbar, President of the General Federation of Women's Clubs asks Donald E. Montgomery about price increases. Mr. Montgomery is Consumers' Counsel of the Agricultural Adjustment Administration, Department of Agriculture, Washington, D. C. The program, prepared by the Consumers' Counsel Division of the AAA, is presented each Friday at this time.

DUNBAR:

Mr. Montgomery, just about every time I open a newspaper these days I see headlines regarding a price rise in this or that commodity. If I'm wondering about this -- I know many other consumers are. Are we in the midst of another general price upswing such as occurred just after the start of war in early September?

MONTGOMERY:

It's true, Mrs. Dunbar, there has been recently a sharp rise in the cost of some commodities, but it's not a general upswing.

DUNBAR:

Then it's really limited to a few commodities?

MONTGOMERY:

Yes, it is. The major advance is in wheat, cotton, and raw silk. One of the causes wheat has gone up is the drought in our own winter wheat belt. Then, of course, there's the unsettled international situation.

DUNBAR:

Well, do you think this will cause an increase in the cost of bread?

MONTGOMERY:

I hardly think so. Not for the present, anyway. You see, in order for the cost of wheat that is in a pound loaf of bread to increase as much as a cent a loaf the wholesale price must rise about 65 cents a bushel. Since the latter part of August wheat has gone up slightly less than half this amount. And remember this, most of the bread we are buying now is made from wheat bought at lower prices.

DUNBAR:

Well, that's encouraging. What about silk, Mr. Montgomery?

MONTGOMERY:

In the case of silks, the failure of Japanese raw silk production to show an anticipated increase over last year, and rumors that the Japanese Government had taken no action to curb soaring prices, are reported to account for the increase. Silk prices are about double what they were last year. The highest level in 15 years.

DUNBAR: Then we can expect some rise in the cost of silk merchandise?

MONTGOMERY: Prices of silk hosiery and other items were increased in October after the first jump in raw silk prices. Whether this new advance in silk will bring further increases in finished goods prices remains to be seen.

DUNBAR: Cotton also seems to be jumping skyward. What do you think about that, Mr. Montgomery?

MONTGOMERY: Raw cotton has reached its highest level since August 1937. Wholesale prices of cotton textiles advanced sharply in September, after the first upswing in the price of cotton and remained up after the price of cotton went down. Now the price of cotton starts up again and the trade that handles cotton goods is talking about further price increases. . . So far we've been talking on the gloomy side of consumer prices, Mrs. Dunbar -- how about switching over to the bright side?

DUNBAR: I'm always ready to listen to good news, Mr. Montgomery. Especially good news for consumers.

MONTGOMERY: Well, for one thing, eggs have dropped way down. Of course they normally drop at this season, but this time the drop has been exceptional. For instance, wholesale prices of top quality eggs at New York have dropped about 30 percent in the past month and these eggs are wholesaling at around 13 cents a dozen or 20% less than last year.

DUNBAR: That will help people to give eggs a bigger place in their market basket.

MONTGOMERY: Fresh pork continues to go down and is much lower than this time last year.

DUNBAR: Well how about the cost of foods in general?

MONTGOMERY: Our latest report on 15 basic foods in 13 cities shows that most of them continue to drop. All fifteen foods together average now 4% above the August level, whereas in September these same foods were 10% above August prices.

DUNBAR: That, Mr. Montgomery, is very reassuring to consumers after the scare they had in September.